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# How AI investment could transform cost management into a dedicated function

No matter the type of company they serve, CFOs can often find themselves performing one particularly difficult task: making trade-offs to allocate capital. Decisions may involve reallocating funds to shield profitability amid uncertainty, preserving liquidity in the face of volatility, or balancing short-term efficiency with longer-term growth and innovation. Now the nature of AI investment may be exposing the limits of such a periodic, repetitive approach to getting costs in line.

Indeed, as AI investment evolves from a discretionary expense into an imperative, finance chiefs may decide that now is the time to rethink a wider set of financial frameworks. The re-examination could include looking into the broader budgeting and cost management practices that support a businesses' investment priorities. In the Q4 2025 North American [CFO Signals™](#) survey, 87% of the 200 surveyed respondents say they expect

AI to be extremely or very important to their finance department's operations this year. But AI's investment horizon almost certainly stretches beyond this year or next.

Tasked with the need to allocate resources to fund large-scale AI initiatives, CFOs may feel compelled to take a more farsighted approach to cost discipline. This sort of capability would enable them to make investments—which may be unanticipated, given the unpredictability of AI costs—without relinquishing momentum or growth. CFOs who take an aggressive approach toward reducing spending only when under pressure risk depleting the organization's flexibility and adaptability.

Instead of hurried cuts to accommodate new investment challenges, CFOs may better serve the business by looking at costs through a value lens, focusing

on the opportunity cost of every dollar. Building an enduring cost discipline practice requires improved analytics, clear ownership, and a strong partnership with the business. Rather than scaling back investments, CFOs need analytical tools to help them identify and prioritize investments that can maximize growth (see ["How CFOs can make the most of cost optimization," CFO Insights, Nov. 14, 2024](#)). The aim of sustainable cost management reaches beyond cutting costs. By directing or redirecting capital investments into capabilities that fuel transformation, it can also support top-line growth.

Unlike some infrastructure spending, though, AI's path to positive ROI can be difficult to pinpoint – for now. Upfront funding may not produce quick or obvious gains. While waiting for a payoff, CFOs may find themselves dealing with mounting AI operating costs, particularly if adoption takes off, as seems likely.

By turning cost management from an episodic disruption into a continuous value cycle, CFOs can maintain the company's ability to fund investments in AI and in other emerging technology initiatives.

In this edition of *CFO Insights*, we'll explore how CFOs can help build an enduring cost-management capability, one that isn't limited to reducing inefficiencies but also supports strategic technology investments. By turning cost management from an episodic disruption into a continuous value cycle, CFOs can maintain the company's ability to fund investments in AI and in other emerging technology initiatives.

### Pressure points

In Deloitte's Q1 2026 North American *CFO Signals* survey, nearly half (49%) of finance chiefs indicate their organization's cost management efforts are being driven by pressure to invest in new technologies like AI and cloud migration. An almost identical proportion, 48%, view shrinking profit margins—which these new technologies may help address—as a key motivator behind their cost management efforts (see Figure 1).

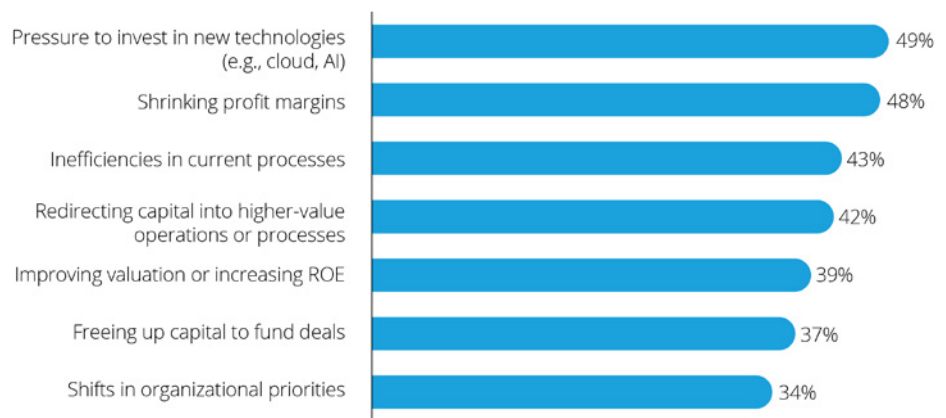
In the past, CFOs could reduce costs by deploying new technology to automate

finance function processes. And while AI can certainly do the same, it also holds the potential to elevate finance to a new level. AI will support the CFO role in an accelerated pace to go beyond data analysis, enabling finance leaders to help the business make better and faster decisions at scale. Once fully integrated in the finance function, AI can allow teams to focus on strategy execution, potentially supporting the business in creating value in ways management may not even initially foresee.

Unlike standalone technologies and tools of the past, maximizing AI's return requires baking it into how the organization runs. Specific tests may show potential, but they don't add up to companywide impact. Treating AI as a design component to be implanted in core business capabilities—and governed as part of the operating environment—is key to realizing consistent value. That, in turn, requires re-examining workflows, reassessing data models, and rethinking—perhaps fully reimagining—existing processes.

**Figure 1. Pivoting Priorities: Behind CFOs' push for cost management**

*Other than the economy, which of these factors are currently driving your organization's efforts to manage costs?*



Notes: n = 200. Respondents were asked to select up to three choices.

Source: Q1 2026 North American *CFO Signals* survey

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Beyond reducing operational spend, AI and tech are “central to a business’s growth, innovation, and competitive edge,” as a [recent Deloitte report](#) put it. In the process of becoming AI-enabled, companies may find that the technology’s value is more nuanced than can be captured in quarterly earnings reports. (For more on capturing ROI, see “[As AI enters a new phase, CFOs gather useful intelligence](#),” *CFO Insights*, March 19, 2026.)

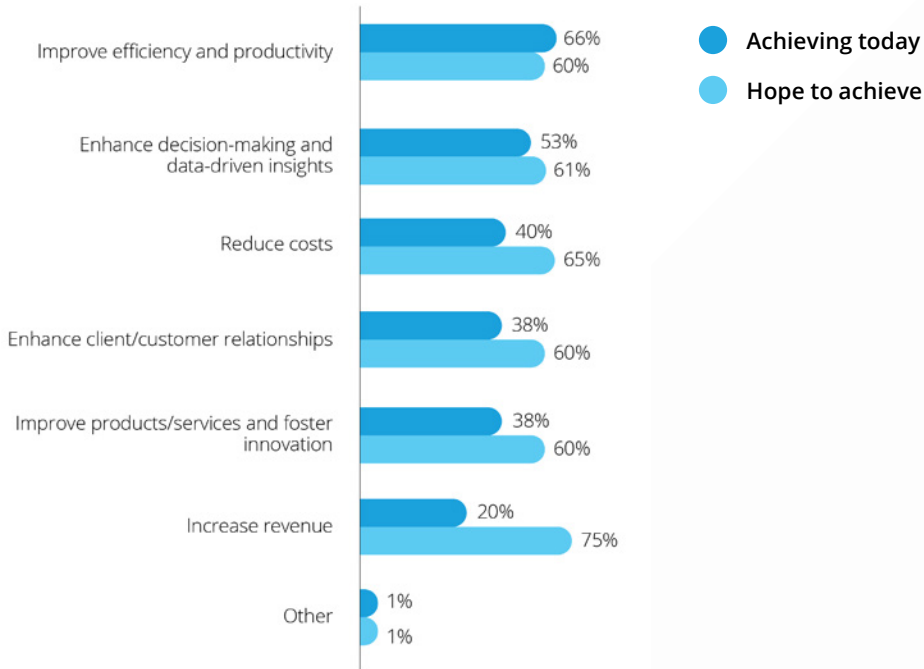
In Deloitte’s 2026 [State of AI in the Enterprise](#) report, 25% of surveyed

leaders— drawn from 3,200 business and IT leaders with direct involvement in their companies’ AI initiative—say that AI is already having a transformative effect on their organizations, up from 12% the year before. In the same survey, 84% of respondents say their companies are increasing their investments in AI. And while companies may already be benefiting from the productivity gains associated with treating AI as an add-on—with little change to their existing processes—leaders have not lost sight of the broader benefits that may come from reimagining their businesses (see Figure 2).

Beyond reducing operational spend, AI and tech are “central to a business’s growth, innovation, and competitive edge.”

### Figure 2. AI benefits achieving today vs. hope to achieve

With regards to benefits from your AI efforts: *Which benefits are you achieving today? Which benefits do you hope to achieve?*



Notes: n = 3,235

Source: “State of AI in the Enterprise: The untapped edge,” Jan. 2026, Deloitte Development LLC

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The hitch: operationalizing AI comes at a cost. That reality may require CFOs to make ongoing investments in preparing the business to absorb an AI-led transformation. Rather than practicing cost management reactively, finance leaders need a mechanism that enables them to invest more strategically across the enterprise. That process—sustainable cost management—can spot opportunities to free up capital that can be used to fund AI investments. Instead of making cuts to meet short-term budget demands, the goal is to shift spending away from underperforming initiatives, tools and processes. Instead, CFOs will likely want to prioritize higher-value investments that can help fuel transformation and foster growth. The idea is to make cost management a permanent finance capability. Thus, leaders can manage spending proactively instead of waiting for a problem.

### Maintaining strategic flexibility

Simple or traditional expense management or reduction clearly isn't sufficient to meet the challenge of preserving a company's cash while also ensuring that the business can continue to make aggressive

investments in AI. Investing in innovation is now key to staying competitive and assuring long-term enterprise value. Finding a balance between strategic flexibility and fiscal discipline can be tricky. This may explain, at least in part, why more than half of CFOs who participated in the Q1 2026 *CFO Signals* survey cite cost management as their top internal risk (see Figure 3).

CFOs are well-positioned to lead this value-driven approach to cost management; they already sit at the intersection of cost, investment, and risk decisions. The vantage point gives them visibility into where dollars flow across the enterprise.

But visibility is merely the starting point. Durable cost discipline requires sharper analytics and a relentless drive to question how capital is allocated. That discipline matters even more for fast-moving priorities like agentic AI. The value is not just in adopting new tools; it also comes from funding the underpinning of those tools: accurate, accessible data, smarter operating models, and talent upskilling.

In addition, a more enlightened approach to cost management requires a shift in

mindset. Rather than starting with a dollar target and sending leaders to find the savings, CFOs may want to start with operating margins. What drives them? How has that changed? And which costs are strategic as opposed to historical?

Moreover, the organization needs to stand up an explicit control and accountability framework as a way to align incentives with decision rights. That framework should also benchmark key expense items against policy and industry standards, set thresholds with the business units, and assign owners who can intervene as soon as the spending starts to drift.

AI should be able to make those tasks easier. Speed comes into play, as well. AI-enabled reporting and analytics can supply leaders with near-real-time insights, providing a dashboard that identifies opportunities or anomalies that need immediate action. In addition, agentic AI is capable of performing scenario modeling continuously, tapping external data and reducing the manual effort required when conditions change. This allows finance teams to focus more on interpretation, judgment, and decision-making rather than on rapid rework.

**Figure 3. A majority of CFOs cite cost management as top internal risk**

*Which internal risks to your organization worries you the most?*



Source: Q1 2026 North American *CFO Signals* survey



Some companies approach making cost management processes more sustainable by creating a center of excellence (COE). The hubs serve as centralized expense and analytics capabilities that span the enterprise. By combining AI expertise with business acumen, COE teams can help ensure that technical implementations support business objectives and that AI efforts stay aligned with company goals. Keeping investments aligned with strategic priorities, especially as they shift, can enable the business to innovate and grow.

The consolidated structure is meant to replace fragmented, manual cost tracking with continuous oversight and end-to-end transparency. In many businesses, spend is disbursed, autonomy is valued, and governance is light—creating barriers for CFOs who need to keep reallocating capital toward what is strategic.

To centralize expense management, companies will likely want to design a system with a set of capabilities that makes cost management continuous and transparent, embedding it in how leaders run the business.

For CFOs, the move to a sustainable cost management approach may require these three steps:

**1. Make cost takeout an ongoing capability.** Too often, cost savings don't stick. A sustainable approach could enforce accountability around savings long after the dollars have been reduced.

**2. Build a sustainable expense-management capability.** This type of cost discipline function requires defined governance, uses consistent metrics, and clarifies accountability.

**3. Use AI selectively.** In a sustainable cost management function, AI may be most helpful in planning and budgeting, allocation, and control, as well as analytics. In those areas, the technology can add automation, detect deviations, and issue alerts when spend breaks specific thresholds. By automating routine work and flagging deviations, AI can help teams focus on issues that require judgment and action.

The ever-changing AI investment cycle—with new models and capabilities arriving all the time—may be the ideal scenario for seeing the value in establishing a more sustainable cost management model. For almost any business, setting priorities for AI and other IT investments at a time of rapid acceleration can be an important step in aligning budgeting and cost cycles with planning and growth objectives.

### Still buffering

In the end, the CFO's job is not just to rein in costs. It's to make costs manageable, predictable, governable, and linked to strategy. That way, when the next spending surprise hits, the company doesn't default to panic, but rather to process.

That said, triggers like M&A, regulatory change and economic shifts will still drive periods of more aggressive cost management. Like the dot.com boom or the arrival of mobile technology, AI seems destined to be foundational and transformative (just ask it). As such, its deployment will present CFOs with an ongoing series of capital allocation challenges: What will the future look like? Should we take a surgical approach to cost-cutting or embrace a sustainable cost management methodology? Amid all the trade-offs, that may be the easiest one.

## End notes

1. "As AI enters a new phase, CFOs gather useful intelligence," *CFO Insights*, Deloitte Development LLC, March 19, 2026.
2. "Enterprise Transformation Shifts That Will Define 2026," Bizzdesign, Dec. 18, 2025.
3. "The hidden ROI of AI: What leaders should actually measure," *Fortune*, April 20, 2026)
4. "CFO Enterprise Value Creation: Cost Optimization Playbook," Oct. 2025
5. "For CFOs, Cost Management Can Drive Value Creation," *CFO Journal*, April 14, 2026.
6. Ibid.

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